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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:15-CR-254-180(4)

UNITED STATES OF AMERICA)	
)	
v.)	<u>INDICTMENT</u>
)	
DEBORAH CARR BATTLE)	

The Grand Jury charges that:

RELEVANT ENTITIES AND INDIVIDUALS

At all times relevant to this Indictment:

1. DEBORAH CARR BATTLE, defendant herein, was a tailor who owned and operated a shop in Goldsboro, North Carolina, called Lydia's Alterations. BATTLE'S shop was located about 200 yards from the main gate of the Seymour Johnson Air Force Base.

2. The 4th Mission Support Group is a unit of the United States Air Force (USAF) located at the Seymour Johnson Air Force Base. Among a variety of other duties, military and civilian staff of the 4th Mission Support Group are responsible for assisting USAF personnel who are to be deployed overseas in connection with Operation Enduring Freedom, including provision of supplies, combat gear, air battle uniforms ("ABUs"), and Operation Enduring Freedom Camouflage Pattern (OCP) uniforms.

3. The Air Force Office of Special Investigations (AFOSI) is a federal law enforcement agency operating under the

direction and guidance of the Inspector General of the Air Force. Pursuant to the Inspector General Act of 1978, Department of Defense Instruction Number 5505.02, and Air Force Mission Directive 39, AFOSI is authorized to investigate allegations of fraud in connection with Air Force programs.

**OVERVIEW OF BUSINESS RELATIONSHIP BETWEEN BATTLE AND THE USAF
4TH MISSION SUPPORT GROUP**

4. Pursuant to the regulations governing so-called micro-purchases set forth in Subpart 13.2, and the Simplified Acquisition Methods set forth in Subpart 13.3 of the Federal Acquisition Regulations ("FAR"), the 4th Mission Support Group procured tailoring and alteration services from a number of tailors in and around Goldsboro, North Carolina, including the defendant BATTLE, to sew unit insignia, name and service tapes, and occupational badges onto the ABUs and OCPs of airmen at the Seymour Johnson Air Force Base who were being deployed overseas.

5. Typically, Unit Deployment Managers would take ABUs or OCPs to the tailors' shops, and they would pick up those uniforms from the tailors upon completion of the work. BATTLE and the other tailors were required to give bills or invoices to a civilian Air Force employee, hereinafter referred to as T.W., assigned to the 4th Mission Support Group's Comptroller Squadron. T.W., in turn, was responsible for paying the tailors for their

work by means of a government purchase card, which was supposed to be swiped by T.W. at the point of sale.

6. T.W. was authorized to make single purchases of supplies or services in the amount of \$3,000.00 or less, and her total monthly purchases could not exceed \$225,000.00. A government purchase card issued by U.S. Bank, with an account number ending in #8214, was given to T.W. for this purpose.

7. At some point in 2009, rather than travelling to BATTLE'S shop and physically swiping the government purchase card, T.W. simply gave BATTLE the account number so that she could get paid for the tailoring work on the "ABUs" and "OCPs" as she completed them.

8. In 2009, BATTLE charged a total of \$20,897.58, and in 2010, BATTLE charged a total of \$57,947.89 to the government purchase card with an account number ending in #8214. At the end of both years, BATTLE gave T.W. detailed invoices and charge slips, supporting each instance in which she had used the government purchase card.

9. In 2011, BATTLE charged a total of \$68,418.79 to the government purchase card with an account number ending in #8214. BATTLE gave T.W. invoices and charge slips, supporting each instance in which she had used the government purchase card from January 6, 2011, until August 11, 2011. However, BATTLE

provided no invoices to T.W. for her charges to the government purchase card from August 12, 2011, until December 31, 2011.

BATTLE'S THEFT OF GOVERNMENT MONIES

10. In 2012, BATTLE charged a total of \$95,698.32 to T.W.'s government purchase card with an account number ending in #8214, in increments of \$2,999.99 or less. BATTLE provided T.W. with no invoices to support the \$95,698.32 in charges she had made on the government purchase card.

11. In 2013, BATTLE charged a total of \$79,128.99 to T.W.'s government purchase card, in increments of \$2,999.99 or less. BATTLE provided T.W. with no invoices to support the \$79,128.99 in charges she had made on the government purchase card.

12. From January 2014 until July 2014, BATTLE charged a total of \$56,449.50, in increments of \$2,999.99 or less to T.W.'s government purchase card. BATTLE provided T.W. with no invoices to support the \$56,449.50 in charges she had made on the government purchase card.

13. In May 2014, T.W. took an extended leave of absence from her job at the 4th Mission Support Group's Comptroller Squadron. Accordingly the government purchase card ending in #8214 that had been assigned to T.W. was cancelled in July 2014.

14. At some point in July 2014, BATTLE called a civilian employee at the 4th Mission Support Group's Comptroller Squadron, hereinafter referred to as EMPLOYEE B, who was temporarily filling in for T.W. BATTLE demanded payment for tailoring and alteration services that she had purportedly provided to USAF personnel.

15. EMPLOYEE B traveled to BATTLE'S store ~~on multiple occasions~~ ^{MP} ~~in order to make a payment and to pick up invoices on~~ ^{FR} at least three different occasions. However, on each occasion, employees found the store closed and he was unable to reach BATTLE via the telephone. Eventually, EMPLOYEE B reached BATTLE via phone. BATTLE continued to complain about not getting paid for work that she had already done. Because he had difficulties setting up a meeting with BATTLE in person, EMPLOYEE B gave BATTLE the number to a government purchase card issued by U.S. Bank with an account number ending in #4956. However, EMPLOYEE B then asked BATTLE to send him invoices detailing the work that she had done. BATTLE refused to send any invoices to EMPLOYEE B, stating that this was not the arrangement that she had with T.W. EMPLOYEE B was surprised and reported the matter to his management.

16. EMPLOYEE B persisted and told BATTLE that she must call him and receive oral authorization prior to making any charges on the government purchase card ending in #4956, and

that she must provide invoices. EMPLOYEE B let the matter drop, since BATTLE made no charges to EMPLOYEE B's government purchase card in August or September of 2014.

17. At the end of 2014, EMPLOYEE B conducted a quarterly reconciliation of the government purchase card ending in #4956. He noticed a charge by BATTLE in the amount of \$2,998.90 on his October 2014 statement, and additional charges by BATTLE in November 2014 and December 2014, totalling \$9,629.99, in increments of \$2,999.99 or less. EMPLOYEE B had authorized none of these charges.

18. EMPLOYEE B called BATTLE and demanded invoices to support the charges that she had made from October to December 2014. In response, BATTLE provided him with five invoices for the 2014 charges she had incurred on the government purchase card ending in #4956. However, these invoices did not contain sufficient specific information for EMPLOYEE B to determine what services BATTLE and provided and to whom. Although EMPLOYEE B did not realize it at the time, BATTLE'S invoices were fictitious.

19. EMPLOYEE B also noticed that BATTLE'S charges to the Government General Purchase Card appeared excessive, in light of the reduction of airmen deploying overseas in connection with Operation Enduring Freedom in 2014, as compared to prior years.

20. On his January 2015 statement, EMPLOYEE B noticed that BATTLE had made two unauthorized charges of \$2,999.99 charge and \$1,000.00 on the government purchase card ending in #4956.

21. EMPLOYEE B reported the matter through appropriate channels to his supervisors, who in turn alerted AFOSI about the potential misuse of two different government purchase cards by BATTLE.

22. On February 6, 2015, BATTLE was notified in person by a civilian employee of the 4th Mission Support Group's Comptroller Squadron that the USAF would no longer be utilizing her services. BATTLE was instructed to cease making charges to the government purchase card ending with #4956, and BATTLE signed a written acknowledgement to that effect. On that same day, BATTLE made one final charge of \$2,999.90 onto the government purchase card ending #4956.

23. EMPLOYEE B cancelled the government purchase card ending in #4956.

AFOSI INVESTIGATION

24. In due course, AFOSI initiated an investigation into BATTLE'S charges made upon government purchase cards ending in #4956 and #8214.

25. As part of that investigation, an AFOSI Special Agent met with BATTLE on or about March 26, 2015, explained the nature of the inquiry, and asked BATTLE to provide AFOSI with invoices supporting the charges that she had made to the government purchase cards issued to T.W. and EMPLOYEE B.

26. BATTLE provided the AFOSI Special Agent with a number of invoices, ostensibly covering the 2013 charges that she had made upon the government purchase card. These invoices contained a last name and a brief description of the tailoring services provided. For example: "Miller, patches, rank, nt, usaf." Other invoices contained even less information. For example, in a July 2013 invoice, BATTLE sought to charge the Air Force \$2,500.00 for "81 cop badgers." (sic.)

27. BATTLE provided no invoices for the 2012, 2014, or 2015 charges that she had made on the government purchase cards issued to T.W. and EMPLOYEE B.

28. AFOSI investigators cross-checked the 2013 invoices against the roster of airmen who had been assigned to the Seymour Johnson Air Force base in 2013. Many of the names on BATTLE'S invoices did not match the roster. In other instances, the last names did match, though these were common last names, such as "Jones," "Williams," or "Johnson," making it difficult to determine which airman with that particular last name had received tailoring services from BATTLE.

29. AFOSI investigators noticed that some of the names on the invoices provided by BATTLE correlated to street names in and around Goldsboro, North Carolina, such as "Dove," "East," "Rose," and "Wright."

30. Aside from interviewing BATTLE, AFOSI investigators interviewed unit deployment managers in order to determine which airmen in their particular units had utilized BATTLE'S services.

31. AFOSI investigators determined that not a single airman had his ABU or OCP tailored by BATTLE in 2015, even though BATTLE had made \$9,998.89 in charges on a government purchase card. In 2014, only two airmen had their ABUs or OCPs tailored by BATTLE, even though BATTLE had made \$70,230.37 in charges on two separate government purchase cards. In 2013, AFOSI investigators determined that 15 airmen had their ABUs or OCPs tailored by BATTLE, even though BATTLE had made \$79,128.99 in charges on a government purchase card.

STATUTORY ALLEGATIONS

COUNT ONE

**Theft of Government Monies
18 U.S.C. § 641**

32. The allegations in paragraphs 1-31 are hereby incorporated by reference.

33. Beginning on or about August 12, 2011, and continuing until on or about February 6, 2015, in the Eastern District of North Carolina and elsewhere, the defendant, DEBORAH CARR BATTLE, willfully and knowingly did embezzle, steal, purloin, and convert to her own use, more than \$1,000.00 in funds which was the property of the United States and of any department and agency thereof, to wit: The 4th Mission Support Group of the United States Air Force.

All in violation of Title 18, United States Code, Section 641.

COUNT TWO

**Obstruction of Proceedings Before a Department or Agency
18 U.S.C. § 1505**

34. The allegations in paragraphs 1-31 are hereby incorporated by reference.

35. On or about March 26, 2015, in the Eastern District of North Carolina, and elsewhere, the defendant, DEBORAH CARR BATTLE, did corruptly influence, obstruct, and impede, and endeavor to influence, obstruct, and impede, the due and proper administration of the law under a pending proceeding by a department and agency of the United States, to wit: An investigation by the United States Air Force Office of Special Investigations (AFOSI) into the improper usage of two government

purchase cards issued to the 4th Mission Support Group of the United States Air Force, in that the defendant, DEBORAH CARR BATTLE, presented false, fraudulent, and fictitious invoices to AFOSI investigators, claiming that she had provided bona fide tailoring and uniform alteration services to USAF personnel, when in fact and in truth, she knew that she had not done so.

All in violation of Title 18, United States Code, Section 1505.

COUNT THREE
Falsification of Documents with Intent to Impede a Federal Investigation
18 U.S.C. § 1519

36. The allegations in paragraphs 1-31 are hereby incorporated by reference.

37. On or about March 26, 2015, in the Eastern District of North Carolina, the defendant herein, DEBORAH CARR BATTLE, with the intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of any department and agency of the United States, that is the U.S. Air Force Office of Special Investigations (AFOSI), did knowingly alter, conceal, cover up, falsify, and make a false entry in a record or document, to wit: She presented false, fraudulent, and fictitious invoices to AFOSI investigators, purporting to show that she had provided bona fide tailoring and

uniform alteration services to USAF personnel, when in fact and in truth, she knew that she had not done so.

All in violation of Title 18, United States Code, section 1519.

A TRUE BILL

FOREMAN

REDACTED VERSION

Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

DATE: 9-2-2015

THOMAS G. WALKER
United States Attorney

BY: Evan Rikhye

EVAN RIKHYE
Assistant United States Attorney